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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

LEHMAN BROTHERS HOLDINGS, INC., et al.,

Debtor,

Chapter 11 Case No.

08-13555 (JMP)

(Jointly Administered)

**OBJECTION OF LEHMAN BROTHERS HOLDINGS INC. TO
CLEVELAND BARRETT'S MOTION FOR RELIEF FROM THE AUTOMATIC STAY**

TO THE HONORABLE JAMES M. PECK
UNITED STATES BANKRUPTCY JUDGE:

Lehman Brothers Holdings Inc. (“LBHI”), as and for its objection to the motion (the “Motion”) of Cleveland Barrett (“Mr. Barrett”) for relief from the automatic stay in the above-captioned case, respectfully represents:

PRELIMINARY STATEMENT

1. LBHI and the attorney for Mr. Barrett have been engaged in substantive discussions regarding a consensual resolution of the Motion. LBHI fully expects that those discussions will result in a negotiated settlement in the very near term. Out of an abundance of caution, LBHI files this objection to the Motion to prevent relief from being granted upon default.

RELIEF FROM THE AUTOMATIC STAY SHOULD BE DENIED

2. The automatic stay is a fundamental protection afforded to debtors under the Bankruptcy Code. In pertinent part, Section 362(a) provides that:

[A] petition filed under section 301 ... of this title ... operates as a stay, applicable to all entities of –

(1) the commencement or continuation, including the issuance or employment of process, of a judicial, administrative, or other action or proceeding against the debtor that was or could have been commenced before the commencement of the case under this title, or to recover a claim against the debtor that arose before the commencement of the case under this title;

11 U.S.C. § 362(a)(1)

3. Under certain circumstances, however, the Bankruptcy Code recognizes that relief from the automatic stay may be appropriate. 11 U.S.C. § 362(d); see also, e.g., In re Sonnax Indus., Inc., 907 F.2d 1280, 1285 (2d Cir. 1990).

4. Other than making a general reference to section 362(a), the Motion does not provide a specific basis to support Mr. Barrett's request for relief from the stay.

5. Subsections (1) and (2) of section 362(d) are the broadest provisions under which a party might seek relief from the automatic stay. In pertinent part, the statute provides:

On request of a party in interest . . . the court shall grant relief from the stay provided under subsection (a) of this section, such as by terminating, annulling, modifying, or conditioning such stay –

(1) for cause, including the lack of adequate protection of an interest in property of such party in interest; [or]

(2) with respect to a stay of an act against property under subsection (a) of this section, if –

(A) the debtor does not have an equity in such property; and

(B) such property is not necessary to an effective reorganization[.]

11 U.S.C. § 362(d)(1), (2).

6. Mr. Barrett has not alleged or established any facts that would support a finding of cause under section 362(d)(1), or a finding that the LBHI does not have an equity in the insurance policy that is the subject of the Motion or that such insurance policy is not necessary to an effective reorganization under section 362(d)(1). Without such a showing, Mr.

Barrett cannot have met his burden of establishing that he is entitled to relief from the automatic stay.

7. For these reasons, the Motion should be denied.

WHEREFORE, the Debtor respectfully requests that the Court deny the Motion and grant the Debtor such other relief as is just.

Dated: March 10, 2009
New York, New York

/s/ Shai Y. Waisman
Shai Y. Waisman, Esq.

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